

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARING
MINUTES DECEMBER 15, 2020

Pursuant to Sections 45.1-361.9B and 45.1-361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, December 15, 2020. This will be a virtual call-in meeting only. Those wishing to call in please dial 1-866-845-1266(Passcode: 52769596#)

Board members present were Bill Harris (Public Representative), Bruce A. Prather (Oil and Gas Industry Representative), Donald Lewis Ratliff (Coal Industry Representative), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Jerald Hess (Assistant Attorney General), Phil Skorupa (Director, Division of Gas and Oil), Sally Ketron (Division of Gas and Oil) and Sarah Gilmer (Division of Gas and Oil).

1. A petition from Diversified Production, requesting the Virginia Gas and Oil Board to enter an order transferring the right to operate all units listed in the application that were established by Board Order, as well as any petitions currently pending before the Board, from NYTIS Exploration Company, LLC to Diversified Production LLC. Docket Number VGOB 20-1215-4236.

The docket item was approved. Seth Long (Landman) and Tim Scott (Attorney) spoke on behalf of Diversified Production.

2. A petition from Coronado VA, LLC, requesting the Virginia Gas and Oil Board to enter an order transferring the permits of all units listed in the application to applicant, Coronado VA, LLC, and to further authorize Appalachian Energy, Inc. to continue to operate all units listed in the application that were established by Board Order. Docket Number VGOB 20-1215-4235.

The docket item was approved. Kevin Elkins (Engineer for Coronado) and Tim Scott (Attorney) spoke on behalf of Coronado VA, LLC and Appalachian Energy, Inc.

3. A petition from Pocahontas Gas LLC, for Re-Pooling under Oakwood Coalbed Methane Gas Field I. Unit EE35. Docket Number VGOB 02-0820-1056-02.

The docket item was approved. No escrowing required. Cheryl Keene Tucker spoke regarding the interest of her mother Mary Barnette.

4. A petition from Pocahontas Gas LLC, for Re-Pooling under Oakwood Coalbed Methane Gas Fields I & II to address mapping changes and new mineral owners. Unit J37. Docket Number VGOB 07-0116-1853-03.

The docket item was approved. No escrowing required.

5. A petition from Pocahontas Gas LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1B, 1C, & 1D, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to the parties to the prevailing plaintiffs: Richard Leftwich, Robert Brian Leftwich, Elizabeth Leftwich, Hnarakis Family 2004 Revocable Trust, Dennis Hnarakis, Bettina Crosby, Robert Blake Leftwich, Melvin Leftwich, McDonald Asset Trust, Martha Summerford, Aubry Hall, Michael McManus, Barbara Compton, George B. Harris, Carolyn Harris Briggs, James Rodney Harris, Dorothy Harris, James Herron, Sandra Murdock, Jackie Harris, Ricky Harris, and Donna Rash; authorization to begin paying royalties directly to the parties to the royalty split between Harrison-Wyatt, LLC and Pocahontas Gas LLC. Unit BG99. Docket Number VGOB 07-0320-1898-04.

The docket item was approved. The account will close. Authorization for direct payment of royalties.

6. A petition from Pocahontas Gas LLC, for (1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent, attributable to Tracts 1K1, 1K2, & 1T, as depicted upon the annexed table; and (2) authorization to begin paying royalties directly to Cynthia Smith Farmer and Connie Burke. Unit R54. Docket Number VGOB 08-0415-2195-04.

The docket item was approved. The account will continue. Authorization for direct payment of royalties.

7. The Board will receive an update of Board and Division activities from the staff.

Mr. Phil Skorupa the new Division of Gas and Oil Director introduced himself to the Board. He announced that the Lebanon DMME Office will be closing as of May 31, 2021. He also discussed with the Board that a new chairman would need to be appointed since Mr. Bradley Lambert has now retired from DMME and resigned as Chairman of the VGOB. The Board voted to nominate to the Governor's Office, Mr. Donald L. Ratliff as permanent chairman. Mr. Ratliff will act as interim chairman until the Governor makes an appointment. Mary Quillen commented that Mr. Ratliff's position as coal representative on the board would need to be filled if Mr. Ratliff is appointed by the Governor as the VGOB Chairman.

Mr. Skorupa is going to be replacing Mr. Rick Cooper on the DGO Safety Deposit Box that is currently held with New People's Bank. The Board approved to designate Mr. Skorupa to be added to the Safety Deposit box and remove Mr. Cooper.

Mr. Skorupa mentioned to the Board that no petitions have been filed with the DGO for the January 2021 Hearing. The deadline will be Friday, December 18, 2020.

Sarah Gilmer, Board Support Specialist with the Division of Gas and Oil updated the Board on the disbursements done thus far. She provided the following information to the Board:

Department of Treasury Disbursements
Treasury Fiscal Year 2020 \$358,025.95
Treasury Fiscal Year 2021 \$813,973.17
Total Treasury Disbursements \$1,171,999.12
Treasury Disbursements remaining (Unknown/Unlocatable): 311

Coal Dismissal Disbursements
Coal Dismissal Fiscal Year 2020 \$1,105,543.83
Coal Dismissal Fiscal Year 2021 \$207,163.82
Total Coal Dismissal Disbursements \$21,763,258.37
Coal Dismissal Disbursements remaining: 275

8. The Board reviewed the October 2020 minutes for approval.
The docket item was approved.

The hearing adjourned at 10:10 a.m.